

PAYMENT AGREEMENT

This Payment Agreement (this “Agreement”), dated as of _____, 2015, is by and by and between the **FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia having its principal office at 3700 Pender Drive, Fairfax, Virginia (“FCRHA”), and the **BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia and having its principal office at 12000 Government Center Parkway, Fairfax, Virginia (the “County”).

SECTION I. DEFINITIONS

For purposes of this Agreement, unless the context clearly indicates otherwise, the words and terms defined in this Section I have the respective meanings given to them herein:

“Advance” means the \$_____, advanced by the Bank on _____, 2015 to pay a portion of the outstanding Notes.

“Bank” means Bank of America, N.A. the lender of the Advance pursuant to the Loan Agreement.

“County Payments” means the payments made or to be made by the County, subject to appropriation, to or for the account of FCRHA, in respect of Installment Payments due and all other amounts due and owing under the Loan Agreement.

“County Payment Date” means an Installment Payment Date.

“Installment Payment Date” means each of the installment payment dates set forth in Exhibit A to the Loan Agreement.

“Loan Agreement” means the Loan Agreement, dated _____, 2015, among FCRHA, the County and the Bank.

“Notes” means Fairfax County Redevelopment and Housing Authority Bond Anticipation Notes (Affordable Housing Acquisition), Series 2013A (Taxable), dated February 14, 2013.

“Payment Agreement” means this Payment Agreement as the same may be amended by written agreement of the parties with the consent of the Bank as provided in Section 4.02 hereof.

SECTION II. ADVANCE

Section 2.01. Acceptance of the Advance. FCRHA agrees to accept the Advance pursuant to the terms of the Loan Agreement. FCRHA agrees to provide the proceeds of the Advance to the County for purposes of refinancing the Notes.

Section 2.02. Purpose for the Advance. The County agrees to apply the proceeds of the Advance, along with other money to be provided by the County, if any, to refinance the Notes.

SECTION III. PAYMENT UNDERTAKING BY THE COUNTY

Section 3.01. County Payments. (a) The County hereby agrees to contribute the County Payments on each Installment Payment Date and on any other date required under the Loan Agreement subject to Sections 3.02 and 3.03 hereof.

(b) the County may, at its option, prepay the County Payments on not less than forty-five (45) days' written notice to FCRHA accompanied by a specific direction to FCRHA to apply such prepayment to the prepayment of the Installment Payments in accordance with their terms. Upon such redemption, the Authority shall credit the principal amount of the Installment Payments so redeemed against the County Payments and reduce the remaining County Payments otherwise payable in an amount equal to the sum of (x) the principal amount of the Installment Payments redeemed, (y) the interest on the Installment Payments so redeemed and (z) the interest that would have accrued on such Installment Payments so redeemed but for such prepayment redemption.

Section 3.02. County Payments Subject to Appropriation. The obligation of the County to contribute the County Payments under this Payment Agreement is contingent upon the appropriation for the applicable fiscal year by the Board of Supervisors of the County of funds from which such County Payments can be made. The County shall not be liable for any County Payments which may be payable pursuant to this Payment Agreement unless and until such funds have been appropriated for payment and then only to the extent thereof. This Payment Agreement shall not constitute a pledge of the full faith and credit of the County or a bond or debt of the County in violation of Section 10 of Article VII of the Constitution of the Commonwealth of Virginia.

Section 3.03. County Executive to Request Appropriations.

The Board of Supervisors of the County covenants that it will cause the County Executive in preparing the County's operating budget for each fiscal year subsequent to fiscal year 2015 in which County Payments under this Agreement are to be made pursuant to this Agreement, that it will cause the County Executive to include in the annual budget of revenues

and disbursements presented to the County's Board of Supervisors an amount not less than an amount sufficient, in the judgment of the County Executive, for the County to contribute to FCRHA amounts sufficient to pay timely the County Payments due and owing pursuant to this Agreement and the Loan Agreement in order that the Board of Supervisors of the County can determine whether to appropriate sufficient funds to make such principal and interest payments pursuant to this Agreement for the then coming fiscal year.

SECTION IV. MISCELLANEOUS

Section 4.01. Third Party Beneficiaries. This Agreement shall inure to the benefit of FCRHA, the County and the Bank, and no other persons shall be deemed third party beneficiaries of this Payment Agreement.

Section 4.02. Amendments. This Agreement may be amended or any of its terms modified only by a written document authorized, executed and delivered by FCRHA and the County with the prior written consent of the Bank.

Section 4.03. Effective Date. This Agreement shall take effect immediately upon its execution and delivery.

Section 4.04. Termination. This Agreement shall terminate upon the final payment or prepayment of the County Payments.

Section 4.05. Counterparts. This Agreement may be executed in one or more counterparts and when each party hereto has executed at least one counterpart, this Agreement shall become binding on both parties and such counterparts shall be deemed to be one and the same document.

Section 4.06. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, FCRHA and the County have caused this Agreement to be executed by their respective duly authorized officers, all as of the date and year first written above.

**FAIRFAX COUNTY REDEVELOPMENT AND
HOUSING AUTHORITY**

By: _____
Chairman

[SEAL]

ATTEST:

By: _____
Secretary

**BOARD OF SUPERVISORS OF
FAIRFAX COUNTY, VIRGINIA**

By: _____
County Executive

[SEAL]

ATTEST:

By: _____
Clerk to the Board of Supervisors